



**MCI Communications
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

November 5, 1998

VIA HAND DELIVERY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

Re: Ex Parte Presentation in CC Docket No. 96-98, CCBPol 97-4, Petition of MCI for Declaratory Ruling that New Entrants Need Not Obtain Separate License or Right-to-Use Agreements Before Purchasing Unbundled Network Elements; CC Docket No. 98-56, RM-9101, In the Matter of Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance; CC Docket No. 98-146, Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996 ; and CC Docket No. 98-147, Deployment of Wireline Services Offering Advanced Telecommunications Capability

Dear Ms. Salas:

On Thursday, November 4, 1998, Jo Gentry, Fred Baros, Don Price, Sherry Lichtenberg, and the undersigned from MCI WorldCom, along with Jerome L. Epstein and Marc Goldman of Jenner & Block, met with Carol Matthey, Michael Pryor and Audrey Wright of the Common Carrier Bureau.

The purpose of the meeting was to discuss MCI WorldCom's activities and section 271 issues in Texas, consistent with the attached document.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(2) of the Commission's rules.

Sincerely,

Keith L. Seat

Attachment

cc: Carol Matthey
Michael Pryor
Audrey Wright

SELECTED TEXAS LOCAL ENTRY/SECTION 271 ISSUES

I. MCI WORLDCOM'S INVOLVEMENT AND LOCAL RESIDENTIAL PLANS IN TEXAS

SWBT's systemic errors in processing MCI WorldCom's local residential test orders:

- Customers cannot receive collect calls -- SWBT modification of LIDB records;
 - Remedy would require MCI WorldCom to expend considerable additional resources and development -- none of which should be necessary;
- Substantial flow-through problems;
- Absent and erroneous directory listings;
- Directory assistance branded as SWBT rather than MCI;
- Untimely order completion notices;
- Loss of dial tone;
- SWBT's inadequate and delayed responses to routine operational issues including blocking (976/900);
- No assurance problems will not recur.

II. SWBT'S ACTIONS GREATLY INCREASE BUSINESS RISK OF MCI WORLDCOM ENTRY

In addition to substantial risks from systemic problems from limited test orders:

- SWBT is challenging duration of MCI WorldCom contract right to combinations, at the same time it refuses to offer acceptable means for CLECs to combine elements;
 - Substantial uncertainty both as to how UNEs will be provided and at what cost;
 - Impact on MCI WorldCom's customer base if rules change;

-- MCI WorldCom use of UNEs is a time bomb because SWBT refuses to extend to CLECs the same intellectual property rights SWBT has in the UNEs;

- Cost of defending infringement litigation and possible damages can dwarf potential profits from local entry;

-- SWBT's numerous other challenges to interconnection agreement -- including basic prices MCI WorldCom pays -- increase risks today and raise strong likelihood that MCI WorldCom will have to re-arbitrate virtually every favorable term 14 months from now.

III. OTHER SIGNIFICANT OSS ROADBLOCKS TO LOCAL ENTRY

-- EDI insufficiently developed and tested;

- Lack of pre-ordering functionality;

- Substantial problems with untimely firm order confirmations, service order completion notices, and missed due dates in limited testing;

-- Inadequate flow through;

-- SWBT's resistance to stress testing;

-- No agreement on change management.

IV. xDSL -- SWBT HAS ERECTED SUBSTANTIAL BARRIERS AND CAUSED DELAYS

-- SWBT requires BFR to order ADSL;

- SWBT's BFR response requires negotiation of restrictive contract terms;

-- Restrictive Spectrum Management proposal;

-- No standard methods and procedures for preorder, order, provisioning or maintenance;

- Refusal to commit to time periods for responses;

-- Outlandish nonrecurring charges, no cost support;

- Hollow promises; SWBT promised various loop and qualification processes in industry meetings which it now refuses;
- SWBT added unnecessary delay on top of BFR by requiring ICB (individual case basis) collocation requests for shielded tie cable;
- SWBT refuses to allow comprehensive implementation of national standards (e.g., spectrum mask) and only allows ADSL, not other flavors of xDSL.

V. PERFORMANCE STANDARDS AND REMEDIES ARE INADEQUATE

- SWBT continues to resist objective performance standards backed by sufficient remedies to ensure CLECs a minimally acceptable level of service;

- MCI WorldCom cannot plan internal operations or advise customers with any certainty unless SWBT has made fixed commitments when it will deliver raw materials;

No fixed standards for functions as vital as order completion intervals;

- SWBT's erroneous performance reports magnify the need for standards that are not tied to SWBT's self-reports;

- SWBT's refusal to allow audits of its reports other than "for cause" magnifies the need for objective standards;

Catch 22 -- MCI WorldCom cannot find "cause" unless it has access to raw data to determine if reports are suspect;

- Remedies are completely inadequate to prevent post-271 backsliding;

- Amount of remedy insufficient to prevent SWBT from writing off poor service penalties as a trivial cost of doing business;
- No increased penalties for repeated problems;
- SWBT remains free to offset "good" service against poor service;
- Limitations and caps on credits.